



DEFENSE LOGISTICS AGENCY
THE DEFENSE CONTRACT MANAGEMENT COMMAND
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NOV 18 1996

IN REPLY
REFER TO

AQOG

**MEMORANDUM FOR COMMANDERS, DEFENSE CONTRACT MANAGEMENT
DISTRICTS**

SUBJECT: DCMC Memorandum No. 96-73, Quality Systems Evaluations (POLICY)

This is a POLICY memorandum. The policy herein will be incorporated in the "One Book". This memorandum expires one year from issue date, unless sooner rescinded or superseded. The October 26, 1995 memorandum, subject: DCMC Assessments of ISO 9000/ANSI/ASQC Q9000 Commercial Quality System Standards at Contractors with DoD Contracts, is hereby superseded. Target Audience: DCMC personnel evaluating contractor quality systems.

DoD's transition to commercial standards continues. New contracts are more frequently specifying commercial quality systems standards (e.g., the ISO 9000 series). Single Process Initiative data indicates that contractors transition from military to commercial quality system standards faster than all other types of standards. Our policy for evaluating proposed and existing commercial quality systems must be logical, effective, and efficient. DCMC quality system audits, when necessary to evaluate a contractor quality system, should be carefully tailored to examine only those quality system elements directed by the customer, and/or those elements where existing data does not provide confidence. DCMC will continue using the ISO/ANSI/ASQC 9000 series standards as a basic framework against which we evaluate quality systems. Revised policy is attached that more clearly requires DCMC personnel to evaluate contractor quality systems, and to rely on existing credible data, when available, in lieu of auditing. It also defines qualifications for DCMC auditors and addresses other areas of concern.

The DCMC Audit Checklist (Rev A, October 10, 1995) that was attached to the October 26, 1995 policy letter will continue to be used. That document will be controlled by AQOG, and be redistributed if/when changes are made.

Should you have any questions on this issue, please contact the Product & Manufacturing Assurance Team, (AQOG), Mr. Dick Kane at (703) 767-2408 or DSN 427-2408, or Mr. Maurice Poulin, (703) 767-2395 or DSN 427-2395.

ROBERT W. DREWES
Major General, USAF
Commander

Attachment

Quality System Evaluation

Concept: The contractor is responsible for maintaining a quality system that complies with contract requirements, and DCMC must assure that contractor quality systems comply with contract requirements. Contractors may offer pre-existing evidence of compliance:

- First-party data: Contractors audit their own systems and share those audit reports as evidence of compliance.
- Second-party data: Customers audit contractor quality systems and contractors chose to share those audit reports as evidence of compliance.
- Third party data: An independent auditor or an industry consensus group audits contractor quality systems and contractors chose to provide these audit reports as evidence of compliance.
- Other: Some contractors offer combinations of the above.

DCMC personnel shall evaluate contractor quality systems for compliance with contract requirements, using existing data (e.g., audit reports) from credible first, second, or third party audits. Sample verifications or confidence in the auditing process may be used to establish the credibility of audits conducted by others. DCMC must audit when:

- existing audit data is unavailable or inadequate to establish confidence
- directed by the customer
- contractor performance (e.g., unsatisfactory process data, CARs, PQDRs, other problems) indicates element(s) of the quality system are not in compliance with contract requirements
- the quality system has been substantially changed.

DCMC quality system audits shall be limited to the specific portions of the quality system identified for review by the customer, or the portion of the system where confidence in compliance is lacking. Unless directed by the customer, DCMC shall not initiate audits when the assigned specialists find existing data sufficient to establish confidence in the contractor quality system.

Qualifications: DCMC personnel evaluating or auditing contractor quality systems shall as a minimum be Level II certified in the Defense Acquisition Workforce Improvement Act (DAWIA) *Manufacturing and Quality Assurance* career field, and meet ISO 10011-2, *Guidelines for Auditing Quality Systems - Part II: Qualification Criteria for Quality Systems Auditors*. ISO 10011-2 outlines qualifications for both auditors and lead auditors.

1. **Auditors:** The audit experience requirement (4 audits, at least 20 days) shall be considered fulfilled for individuals possessing 6 months continuous experience surveilling contractor systems, processes and product characteristics. ISO 10011-2, Annex A, *Evaluating Auditor Candidates*, shall not be used to evaluate the qualifications of auditor candidates or to maintain the competence of auditors by periodic review by an evaluation panel. Auditors shall evaluate contractor quality systems and decide if a formal audit is necessary

2. **Lead Auditors:** When formal audits are considered necessary, they will be led by DCMC lead auditors, to ensure that the audits are conducted in accordance with accepted commercial practices and protocols. The lead auditor experience requirement (3 complete audits) shall be considered fulfilled for individuals possessing 5 years continuous experience

surveilling or managing the surveillance of contractor systems, processes and product characteristics.

The need for supplemental training for individual auditors and lead auditors, as well as the necessary number of lead auditors, is left to the discretion of the CAO.

Planning and Execution: All DCMC evaluations and audits of contractor quality systems shall be performed using the International Organization for Standardization (ISO)/American National Standards Institute (ANSI)/American Society for Quality Control (ASQC) 9000 series quality system models. DCMC personnel shall invite customer participation in audits of contractor quality systems. The current version of the DCMC *Audit Checklist*, controlled by HQ DCMC (AQOG) shall guide audit performance. ISO 9000-2, *Quality Management and Quality Assurance Standards - Part 2: Generic Guidelines for the Application of ISO 9001, ISO 9002, and ISO 9003*, is a source document that may be used for reference purposes. If the contract specifies different or additional quality system requirements, the audits shall be tailored to ensure that the scope of the audit is adequate and does not exceed the contract requirements.

Documentation: DCMC personnel shall record the results of quality system evaluations and audits. When formal audits are not necessary, evaluation results may be recorded in any convenient format, indicating how confidence was established for each applicable quality system element. As a minimum, records shall identify significant findings and corrective actions, and indicate how confidence was established in each applicable quality system element. When a formal audit is necessary, an audit report will be prepared, content as specified in ISO 10011-2, *Guidelines for Auditing Quality Systems - Part I: Auditing*.

Communication of Results: When an evaluation or audit is finalized, DCMC shall notify the contractor in writing. These written notices shall identify the applicable quality system standard and provide a copy of the formal audit report (if applicable), or otherwise explain how compliance was evaluated. When evaluations or audits indicate significant noncompliance, the written notice shall identify the exact areas of noncompliance. If the evaluation or audit confirms the compliance of a quality system, the notice shall include a *Statement of Qualification*, with the following content:

Quality System Qualification

Based on a quality system evaluation,

(Company name, city, state, & areas qualified)

is hereby declared compliant with

(Applicable standard, e.g. ISO 9002)

(Commander's Typed Name, Rank, Service)
Commander, DCMC (CAO name)

(Commander's signature, date)

Whether the quality system evaluation results are positive or negative, the results shall be provided to our customer(s), because they provide customers valuable insight into the capability of a contractor's quality system.